



# Department of Justice

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## **FORMER COMPUTER COMPANY FINANCIAL OFFICER PLEADS GUILTY TO CONSPIRACY, FRAUD, FALSE REPORTING OF FINANCIAL INFORMATION**

DAYTON – The former chief financial officer for MCSi, a now-defunct computer sales company founded in Dayton, pleaded guilty in United States District Court here today to charges that he participated in an elaborate scheme to artificially boost company stock prices between 2000 and 2003 and overstated company income by millions of dollars during the period.

Ira H. Stanley, Jr., age 55, of Oakwood, pleaded guilty to a three-count bill of information charging him with one count of conspiracy to commit mail fraud, wire fraud and securities fraud, one count of mail fraud, and one count of false certification of a financial report by a corporate officer.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Jose Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation; Gerald A. O'Farrell, Assistant Inspector in Charge, U.S. Postal Inspection Service, J. Mark Batts, Acting Special Agent in Charge, Federal Bureau of Investigation, Cincinnati Field Division; and Kenneth D. Israel, District Administrator, Salt Lake District Office, Securities and Exchange Commission, announced the plea entered today before Senior United States District Court Judge Walter H. Rice.

Stanley admitted that he and others caused MCSi to report net income for the year 2001 (before taxes) from continuing operations of \$18,690,000 instead of an actual loss of approximately \$24,755,630. Stanley also admitted that the company overstated its reported gross revenue by approximately \$28 million for the quarter ending March 31, 2002.

MCSi called itself North America's premier reseller of advanced integrated computer technology and visual communications products for business, government and educational institutions. MCSi was formerly listed on the NASDAQ stock market, until it was delisted in April 2003. In 2001, the firm's annual sales exceeded \$810 million, it maintained offices at 160 locations, had 50,000 clients and had over 1,300 employees. In 2003 it filed for bankruptcy. The company is presently in liquidation, and its stock is considered worthless.

The counts of Willful False Certification of a Financial Report by a Corporate Officer and Mail Fraud each carry a maximum potential sentence of 20 years imprisonment and a fine of up to \$5 million. Conspiracy to commit mail, wire and securities fraud carries a maximum possible sentence of five years imprisonment and a fine of up to \$250,000. Judge Rice will determine the actual sentence and will set a date for sentencing.

“Corporate fraud is every bit as corrosive to American society as street crime,” Lockhart said. He also commended the efforts of the agents and investigators of the SEC, IRS, U.S. Postal Inspection Service and FBI for their in-depth investigation into this matter, and Assistant U.S. Attorney Dwight Keller, who is prosecuting the case.

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